MINUTES INDUSTRIAL MINERALS ADVISORY COUNCIL (IMAC) JUNE 17, 2009

MISSOURI DEPARTMENT OF NATURAL RESOURCES (MDNR) DIVISION OF GEOLOGY & LAND SURVEY (DGLS) 111 FAIRGROUNDS ROAD ROLLA, MISSOURI

MEMBERS PRESENT: Mr. Joe Gillman, Chairperson-Department of Natural Resources; Mr. Steve Rudloff-Missouri Limestone Producers Association; Mr. Victor Nahlik-Winter Brothers Materials; Mr. Dave Keller-Harbison-Walker Refractories, Inc.; Ms. Cherie Summa-Fred Weber, Inc.; Mr. Dave Ahlvers-Missouri Dept. of Transportation; Mr. Chris Upp-Conco Quarries, Inc.

MEMBERS ABSENT: Mr. Daniel C. Rowe-Unimin Corporation

STAFF PRESENT: Mr. Jerry Prewett-Geologic Resources Section Chief; Mr. Pat Mulvany-Industrial Minerals Unit Chief; Mr. Justin Davis-Industrial Minerals Unit Geologist; Ms. Jane Williams-Industrial Minerals Advisory Council Secretary; Ms. Hylan Beydler-Public Information Officer

Mr. Joe Gillman brought the meeting to order at 10:14 a.m.

WELCOME, INTRODUCTIONS, AND DNR/DGLS BUDGET UPDATE

Mr. Gillman welcomed the Council to the meeting. He believed we did not need introductions. Mr. Gillman explained that he would be happy to take as much time as necessary to discuss any questions the Council may have regarding the Department or the Division. Mr. Gillman talked about the new Department Director who was appointed by the Governor in January, 2009 and who began working for the Department in March, 2009. The state is undergoing some tough economic situations. The Governor is looking to cut an additional 100 million dollars in the next two weeks. The recent budget cuts to this Division was the loss of four positions, which was the Governor's recommendation for FY 2010 and with those four positions, we had to lay-off three people and one position was absorbed internally. Some of the work of those four positions will have a big impact in the work we do here. One of the positions was a technician who helped to keep track of a lot of the information that we are bringing into digital format right now. We will try to keep you updated on the budget. Mr. Prewett explained the lay-off process and explained that Joe is not the person who actually decides who is laid off. He explained that the Missouri Office of Administration is the one who makes these final decisions and sometimes tries to determine the lay-off by function. He explained that how the job duties look on paper to OA sometimes doesn't show how very valuable these people are to a Division. Mr. Upp asked how much of our budget comes from general revenue. Mr. Gillman explained that the Geologic Resources Fund is the only fee fund in this division. About 40% of our budget is general revenue. The rest of our budget is federal funds through grants or allocations from federal programs that are administered by the state. The general revenue picture for the Department is so small that if the Department takes a 10% cut, there is not a huge impact across the agency. But, for this Division, it is a very large impact because we are so reliant on general revenue

funding. Mr. Gillman wants to work with our current and future administrations to find a way to get this Division more focused on bringing applied geology to the table and finding alternative funding sources so we are not so reliant on the politics and more reliant on performance and the products that we produce for the consumers. Mr. Gillman wants to make sure that this Division is focused on providing a real service to the industrial minerals industry of this state and that the industry feels like we are doing so.

MINUTES OF THE MARCH 4, 2009 MEETING

Mr. Gillman asked for a motion for the previous minutes to be accepted. Mr. Nahlik made a motion to accept the minutes of the meeting held on March 4, 2009 as circulated. Mr. Upp seconded the motion. Motion carried.

ITEMS OF GENERAL INTEREST

Mr. Prewett reminded the Council that we had talked at the last meeting about getting some information from MODOT referenced on our web site. Mr. Prewett explained that Ms. Beydler has gotten two links on our website. One is for plans and projects to get information out through our website to the industrial minerals industry. The other is contractor resources. Mr. Prewett explained that at the last meeting Mr. Rudloff had asked about the comments on a federal permit document for sand and gravel operations and those comments are still held up in the Department. Mr. Gillman suggested when we get those comments we will distribute them to the Council. Mr. Prewett explained that he had talked with our legal representative about getting empty Council positions filled. The reappointment for Cheri's position and the appointment of Mike Carlson to fill the limestone position that Steve Rudloff currently fills is in the Governor's Office to be approved. Mr. Prewett told the council that Scott Lacy is no longer in his position at Lafarge and he has resigned his position on the Council. Mr. Prewett did respond to Mr. Lacy and thanked him for serving and asked him to consider representing the limestone industry again if he was working in such a position. Mr. Gillman asked Mr. Rudloff to let people know that we are seeking a limestone representative to be on the Council. Mr. Rudloff stated that he had several meetings coming up and would get the word out to people. Mr. Prewett wanted to express to Mr. Rudloff that we appreciate him getting information about geologic mapping in his newsletter.

GEOLOGIC RESOURCES FUND FINANCIAL REPORT

Mr. Mulvany explained that the cash balance in the geologic resources fund at the end of May, 2009 is \$221,153.71. He explained about the handouts that are in the notebooks. He explained that we hired Connie Edwards part-time doing some of the work to get our information on line. Mr. Rudloff stated that he believes the income should be fairly stable. Mr. Upp asked if there is any annual audit by the State Auditor's Office. Mr. Gillman stated there is not a scheduled one. He did explain that we audit the fund internally and that the fund would be open to an audit by the State Auditor's Office if they chose to do one. Mr. Keller asked if there would be a budgeting process in place a year in advance. Mr. Gillman stated that he was not sure how we will handle the fund. This fund is new and we would like to have recommendations from the Council on how to approach this. He believes that the goal is not to build a lot of funds but to use these resources in a forward thinking manner to bring real value to the industry. Mr. Gillman

believes this fund will stabilize right now and maybe with slow long term growth. Mr. Keller believes a budget spending plan for the fiscal year would be a good idea and a way to show the industry that we are thinking ahead of what we are going to spend and how we are going to spend it. Mr. Gillman explained that we do a PS spending plan each year in advance for the Division and maybe we could think about doing a spending plan that focused a little more internally for this group that we are looking out at what kind of product delivery we are looking at in the next 12 to 18 months. Mr. Keller would like to see what we plan on spending the money on in the next fiscal year. Mr. Prewett suggested that was a good idea. Mr. Prewett explained that we currently do that now but we do not have a formal document and that would be a good idea.

INDUSTRIAL MINERALS UNIT WORK ACTIVITIES UPDATE

Mr. Mulvany explained that they have answered very many inquiries since the last meeting. He explained that we have to sometimes answer questions that don't always involve industrial minerals. They have done some field work on the Cambrian RI-70 with Tom Thompson. They will probably stop some of that work until fall time. They have been maintaining our information to make sure that the physical information sources are in order and add to them. And we have also been maintaining our digital library resources. One of the people that got laid off took care of a lot of this work with scanning, etc. We have a lot of old documents sitting around and we are sorting thru a lot of them to decide what to keep here and what to send to State Archives.

They did go to the field at the first of this month to Springfield at the request of MODOT to see a swell that has developed on US 65 south of the I-44 intersection. It happens to be right over the Springfield underground storage facility and mine. Mr. Mulvany explained that it was a very interesting field trip and that the distance of fracture was very long. Mr. Rudloff asked how long the fracture was. Mr. Prewett answered about 200 or 300 yards. Mr. Ahlvers explained that they called us because it was a different situation. Usually they would have a depression instead of a rise.

Mr. Rudloff and Mr. Mulvany took a trip to a quarry in Kansas City to get ready for a field trip that would be conducted in July for the Missouri Minerals Education Foundation (MMEF) teacher's workshop that will be held at William Jewel College in Liberty, MO. They were looking for a good place for the teachers to hunt some fossils on a field trip. They found a good place for this. Mr. Mulvany explained that we are trying to prepare for some talks and demonstrations they will be doing at that workshop. We are going to purchase a variety of sets to give away at the workshop. Mr. Prewett explained that the Division is moving forward to put together rock and mineral sets available for sale.

Mr. Mulvany explained that he is serving as an editor on an AEG volume. Mr. Mulvany is busy putting together the narratives for the UGSG Mineral Yearbook 2007 that describes what we perceive of the industry trends, general production figures, and things that have to do with the Geological Survey. Mr. Mulvany stated that we basically have everything that was in our volumes and information circulars up thru 1972 in a database now. We have all of the subject indexes entered in the tables. We have already used it for several inquiries.

Mr. Davis explained that he has been working on the Barite webpage and it is complete. He asked for the Council's input or any suggestions that they might have. Mr. Rudloff asked which commodities would be next. Mr. Prewett stated that we are focusing on those that are listed in the statutes for our Council. Mr. Upp suggested that we might expand on the economic information out there for each commodity, for instance, how many jobs there are in relation to the mining of that particular product. He suggested having total numbers for each year. Mr. Mulvany explained that the last barite mining was in 1999. Mr. Gillman stated that he believes it is a good idea to do that because right now there is a lot of interest about the impact on the economy of various things related to earth resources and mining is one of them. Mr. Rudloff stated that he is glad there is interest in it now. Mr. Gillman wants to focus on making people aware that mining has a real economic impact for our state and it will for the foreseeable future. Mr. Upp thinks it will give them a point of reference for public relations or economic development. Mr. Ahlvers stated that MODOT has to report jobs that are created in the stimulus package money. There has been a lot of discussion of how to accurately assess that. At this point, they use a formula. Mr. Gillman asked where the formula comes from. Mr. Ahlvers said the formula comes from DED and Federal Highway Administration. Mr. Gillman asked who they report their production numbers to. Mr. Upp said USGS. Mr. Gillman wondered if we should be getting those numbers directly also. Mr. Rudloff asked if the USGS could turn those numbers over immediately instead of waiting. Mr. Mulvany stated that USGS has different levels of which they make that information available. He stated that what is in the minerals yearbook will be very carefully thought out as to how they present it. The only commodities that report to the state are clay, silica, granite, lead, copper, zinc and shale. They report that to the Department of Labor Standards. They report their tonnages quarterly and they pay a fee per ton. Mr. Upp stated that most of the USGS information is voluntary so things could be misrepresented to USGS. He doesn't think that having that fine of detailed information is necessary. He believes that having a USGS annual number would be okay. Mr. Upp said you can get information from Department of Economic Development. Mr. Ahlvers stated that he could give us the formula they use for the highway work. Ms. Emma Jones in his office could get that information together. Mr. Gillman stated that anything Mr. Ahlvers could offer would be helpful. Mr. Prewett suggested that the Council check out the reference links on the Barite website. Mr. Rudloff suggested categories of references.

Mr. Davis talked about his second project which was an industrial mineral quarries database with more detailed information than the current database maintained by Land Reclamation Program. This database will include some more detailed geologic information, such as formation names, true rock types, etc. Mr. Davis explained that he has about 1000 quarries listed with location data and about 250 of those have some detailed information listed with them. Mr. Upp asked how far back we are going with the history of quarries that are no longer working. Mr. Davis explained that the information he has is what Land Reclamation Program has maintained since about the early 70s and there are some older occurrences in two previous databases that we have. One is a small database that Mr. Ardel Rueff maintained when he worked for our Division and the other is the Inventory of Mines, Occurrences, and Prospects (IMOP) database. Mr. Keller asked about the old Abandoned Mine Lands (AML) information. Mr. Gillman believes that the IMOP database includes some of that old AML information. Mr. Gillman explained that the

IMOP database has very extensive database with over 20,000 entries in it containing a lot of good information.

OPEN DISCUSSION

Mr. Ahlvers stated that MODOT has had contractors asking if there are maps showing top of bedrock elevation. Mr. Prewett stated that we have more information in some areas than others. We have a lot of data that exists and we have a lot of boring data. Mr. Gillman believes that we should have coverage of that. Mr. Ahlvers stated that the contractors that call probably want this information in a certain area. Missouri University of Science and Technology (MS&T) wants some information in the Kansas City area and maybe an area near Columbia. Mr. Prewett suggested that they contact Cheryl Seeger for this information.

Mr. Upp suggested that we have an annual publication of what we have worked on and a future year spending plan. He suggested that it could be posted on the IMAC website. A report that shows the dollars that are going into the fund and the products that are coming out of the fund. Mr. Prewett suggested that maybe before the big Missouri Limestone Producers Association (MLPA) meeting. Mr. Upp suggested that the report could be something that Mr. Ahlvers could supply to contractors around the state.

Mr. Ahlvers stated that MODOT had seen something in the state of Texas that shows recycled material on a map. MODOT has been putting mine waste and different products that we use down and have been working on producing a map. He wondered if we would like to link that information from MODOT on our webpage. Mr. Prewett stated that our Division has worked through the Solid Waste Program in Jefferson City for beneficial use of materials. Mr. Upp agrees that recycled materials are big, but he believes that the scope of what this particular group is doing does not include recycled materials. Mr. Keller agrees with Mr. Upp that maybe this exceeds what this group is trying to do. Mr. Ahlvers did want the Council to know that MODOT is always looking for the cheaper product. If virgin material is cheaper than recycled, then MODOT uses the cheapest. MODOT has not reached the point that they must use recycled material.

Mr. Gillman asked what the date of the MLPA meeting is in December. Mr. Rudloff stated the meeting will be December 9-10, 2009. There would be registration on the evening of December 8, 2009. Mr. Gillman asked if the Division was participating in any way and solicited input from the Council on what they think our role should be. Mr. Upp suggested that we have a booth.

SCHEDULE NEXT MEETING DATE

Mr. Gillman asked the Council when they would like to schedule our next meeting. According to a previously discussed schedule, the next meeting would fall sometime in September. The Council agreed that September 16, 2009 would be a good day. There was a short discussion on video conferencing and/or teleconferencing. Mr. Upp asked if there are any statutory requirements regarding an open meeting. Ms. Williams explained that she would include the number to call in the open meeting notice that she will post for the public.

ADJOURNMENT OF BUSINESS MEETING

Mr. Gillman asked for a motion to adjourn the meeting. Mr. Upp made a motion to adjourn the meeting. Mr. Nahlik seconded the motion. Motion carried. Meeting was adjourned at 12:06